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COMMISSIONERS
ROBERT "BOB" BURNS, Chairman
BOYD DUNN
SANDRA D. KENNEDY
JUSTIN OLSON
LEA MRQUEZ PETERSON



ARIZONA CORPORATION COMMISSION

SANDRA D. KENNEDY

1200 W. Washington
Phoenix, AZ 85007

(602) 542-3933
www.azcc.gov

November 27, 2019

RE: IN THE MATTER OF THE COMMISSION'S INQUIRY/INVESTIGATION
INTO THE CAMPAIGN EXPENDITURES AND POLITICAL
PARTICIPATION OF ARIZONA PUBLIC SERVICE COMPANY AND ITS
AFFILIATES, SUBSIDIARIES AND PINNACLE WEST CAPITOL
CORPORATION IN THE ELECTION PERIODS OF 2012, 2014 AND 2016.
(DOCKET NO. E-01345A-19-0005)

Chairman Burns,

I am asking that the January Open Meeting agenda include an item providing an opportunity for all Members of the Pinnacle West Board of Directors to answer questions pursuant to the attached letter.

Sincerely,


Sandra D. Kennedy
Commissioner

On this 27th day of November, 2019, the foregoing document was filed with Docket Control as a Correspondence from Commissioner, and copies of the foregoing were mailed on behalf of Sandra D. Kennedy, Commissioner – A.C.C. to the following who have not consented to email service. On this date or as soon as possible thereafter, the Commission's eDocket program will automatically email a link to the foregoing to the following who have consented to email service.

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COMMISSIONERS
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November 27, 2019

Jeffrey B. Guldner
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Paula J. Sims
James E. Trevathan
Pinnacle West Capital Corporation
Arizona Public Service Company
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RE: IN THE MATTER OF THE COMMISSION'S INQUIRY/INVESTIGATION INTO THE CAMPAIGN EXPENDITURES AND POLITICAL PARTICIPATION OF ARIZONA PUBLIC SERVICE COMPANY AND ITS AFFILIATES, SUBSIDIARIES AND PINNACLE WEST CORPORATION IN THE ELECTION PERIODS OF 2012, 2014, AND 2016. (DOCKET NO.E-01345A-19-0005)

Dear Members of the Board of Directors of Pinnacle West Capital Corporation:

Today, I am requesting that Chairman Burns add an agenda item to the January Open Meeting to provide the opportunity for you, the Board Members of Pinnacle West Capital Corporation ("PWCC"), to respond in person to the questions listed below as well as other pertinent questions. The scope of the questioning will not necessarily be limited to the questions written below.

A notice to this office that the Board Members will appear at the January 14th and 15th 2020, Open Meeting, should be provided by **December 13, 2019**. Additionally, provide the following by **December 13, 2019**:

Written responses

- 1) A description of the leadership transition plan, timeframe, and process for Arizona Public Service Company ("APS") and PWCC.
- 2) An explanation regarding the purpose of the 12 month Consulting Services Agreement ("Consulting Agreement"), entered into between the PWCC Board and Donald E. Brandt on November 4, 2019.
- 3) A description of the services to be provided under the Consulting Agreement.
- 4) An explanation of the process for determining if service(s) are found to be satisfactory or unsatisfactory.

- 5) A description of the penalty(ies) incurred if services are found unsatisfactory.
- 6) An explanation regarding the determination of the contract fees, specifically:
 - Monthly fee of \$25,000 per month for the first 11 months of the retention period.
 - Final Fee of \$1,475,000.
- 7) A description of the funding source(s) to be used for the consulting service agreement fees to be paid to Donald E. Brandt.
- 8) A description of whether the contract can be renewed or extended. If so, please describe which specific circumstances would result in a contract renewal or extension.
- 9) A list of all consultant contracts PWCC has approved during the years of 2014, 2015, 2016, 2017, 2018 and 2019. Please provide a summary of each scope of work, and a breakdown of monthly fees.

Documents

- 1) Please provide all agreements, contracts, internal policy memoranda, or other documents of any kind that describe or pertain to Donald E. Brandt's retirement from APS.
- 2) Please provide all agreements, contracts, internal policy memoranda, or other documents of any kind that describe or pertain to leadership transition planning and preparations from Donald E. Brandt to Jeff Guldner.
- 3) Please provide all agreements, contracts, internal policy memoranda, or other documents of any kind that describe or pertain to the formation of the Consulting Agreement signed on November 4, 2019 between PWCC and Donald E. Brandt.
- 4) Please provide all agreements, contracts, internal policy memoranda, or other documents of any kind that describe the funding source(s) for the Consulting Agreement Monthly and Final fees.
- 5) Please provide all agreements, contracts, internal policy memoranda, or other documents of any kind that describe the funding source(s) for the Consulting Agreement travel expenses.

Sincerely,


Sandra D. Kennedy
Commissioner